



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



OCTOBER 12, 1999

Environmentalists, Commerce At Odds Over PNW Dams. Long-term efforts by environmentalists may be enough to remove four dams along the Snake River in the Pacific Northwest. The Lower Granite Dam, Little Goose Dam, Lower Monumental Dam, and Ice Harbour Dam between Lewiston, ID, and the Columbia River in southeast Washington are being targeted as the reason that annual spawning runs of Chinook and Sockeye salmon have been significantly decreased during the last several years. Before the Army Corps of Engineers (Corps) built the series of dams during the 1960's and 1970's as a source of hydroelectric power, some 50,000 salmon would annually return to the Snake River to spawn. This year, however, only four male salmon have reportedly made the journey. The regional economy has come to rely on the river system not only as a vital source of hydroelectric power, but also for farm irrigation and, important to the grain trade, as an effective barge transportation system. According to *Waterborne Commerce of the U.S.* and USDA published agricultural statistics for 1999, roughly 10-15 percent of all U.S. wheat exports, the most commonly barged grain in the region, move on the Snake River. Speaking in reference to the Lower Granite Dam near Lewiston, David Doeringsfeld, manager of the port of Lewiston, has stated, "You take that dam away, and it would be like taking Boeing out of Seattle." He continued, "We'd lose our economy." Other estimated costs of breaching the dams may include the cost of buying or producing an alternate source of electricity, according to the Bonneville Power Administration, still required to pay off the \$864 million it owes for the construction of dams along the Columbia and Snake Rivers. Due to the expense of alternative water systems, roughly 35,000 acres of irrigated farmland could no longer be used. In addition, as the cost to producers would increase with the necessary switch to the more costly alternatives of rail and truck movements, Washington State officials figure that \$406 million will be necessary to upgrade the region's road and rail system to handle the increased traffic. Moreover, the Columbia River Alliance, a Portland, OR, group, estimates that only 2,000 salmon will return upstream if the dams are breached. No proposal to remove Columbia River Dams currently exists; however, the Corps is studying the possibility. Environmental advocates, on the other hand, emphasize that the potential increase in tourism, due to sport and commercial fishing, would contribute an annual amount of roughly \$390 million to the Northwest economy. A representative for the environmental groups also stressed that an additional \$460 million would be required to comply with the Clean Water Act if the dams were to remain. According to a *Wall Street Journal* report, the Clinton Administration has already decided that the need for dams has been superseded by the need to restore salmon runs. Congress, however, will likely decide sometime next year as to whether or not to provide funding which would allow the dams to be breached. An economic study will be released by the Corps in December, comparing the costs and benefits of saving the salmon. (*Wall Street Journal* 10/11, USDA)

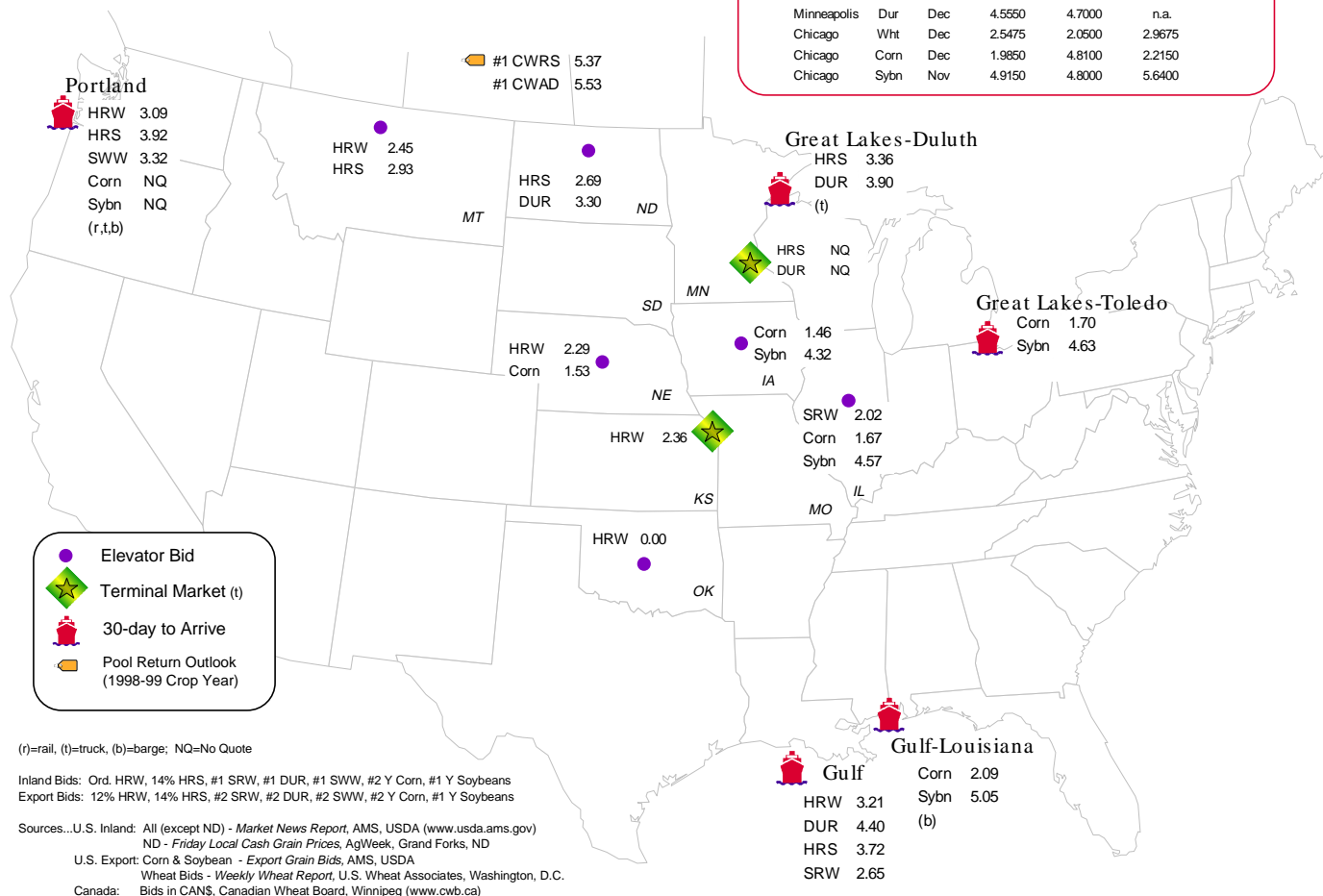
Low-Quality Durum, Added Problem For Grain Elevators. A damaged durum crop caused by disease and late planting due to spring rain is putting elevator operators in the difficult position of having to inform producers that their crops are receiving less than half the market price. Chuck Haring, manager at Garrison Farmers Union Elevator, expected to get roughly \$1.40/ bushel for rail cars recently loaded with damaged durum. "It's only 10 percent damage, but that's all they will give for it," said Haring. The low-quality durum, also called sample grade, is usually exported, according to Brad Haugeberg, manager of SunPrairie Grain, Minot, ND. SunPrairie has been paying approximately \$1.25/bushel for sample grade durum. Although Haugeberg expects that there may some increase in exports later in the winter, current prices appear to be the immediate concern. "...no matter how you try to soften the blow when you tell a farmer what his durum is worth, he's not very happy with you," added Haugeberg. (*AP* 10/12)

USDA/UGPTI Cosponsor Grain Export Seminar. USDA's Shipper and Exporter Assistance and the Upper Great Plains Transportation Institute (UGPTI) are cosponsoring an export seminar designed to provide grain producers and shippers information about expanding their export opportunities by varying their foreign markets and transportation methods. Topics to be discussed at the seminar include: identity preservation, containerization of grain, USDA programs for exporters, export finance, working with freight forwarders and shippers associations, and negotiating service contracts with shipping lines. The seminar will take place November 30-December 1 in Fargo, ND, at the Doublewood Inn. For more information, contact Kim Vachal, UGPTI, at (701)231-6427 or Heidi Reichert, USDA, at (202)690-2325.

Report is prepared by Karl Hacker and Chambre' Malone, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to GTR@usda.gov.

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Grain Bid Summary

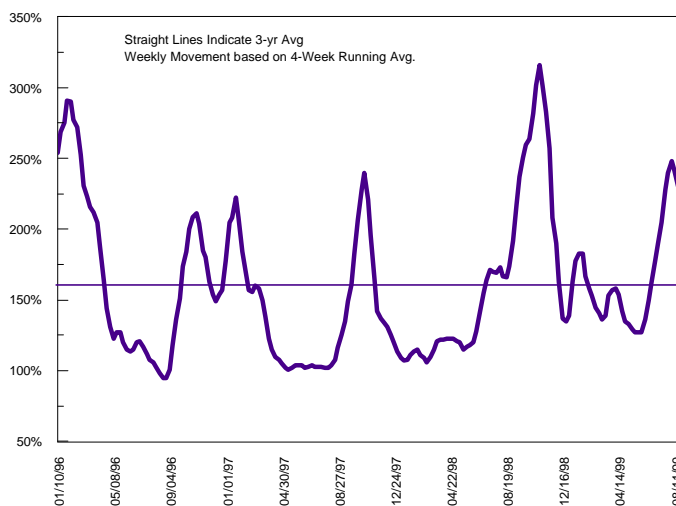


Futures:

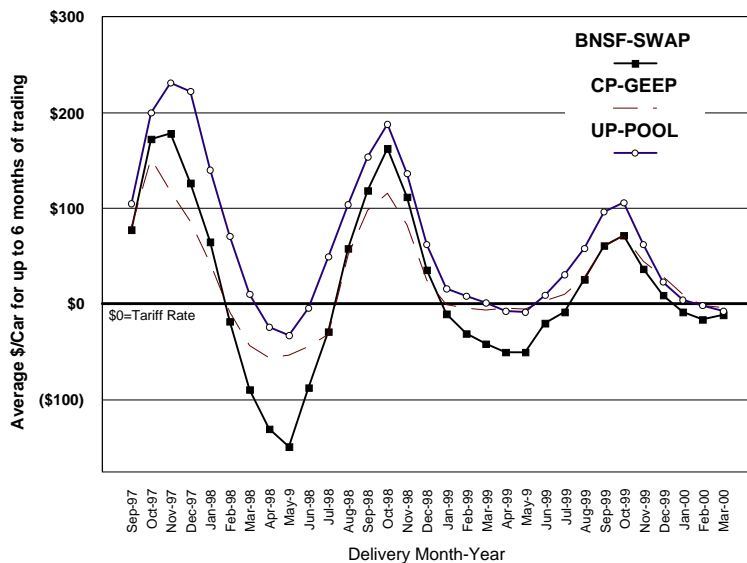
			10/08/99	Week Ago 09/20/99	Year Ago 10/09/98
Kansas City	Wht	Dec	2.7450	2.8775	3.2500
Minneapolis	Wht	Dec	3.2375	3.2525	3.6300
Minneapolis	Dur	Dec	4.5550	4.7000	n.a.
Chicago	Wht	Dec	2.5475	2.0500	2.9675
Chicago	Corn	Dec	1.9850	4.8100	2.2150
Chicago	Sybn	Nov	4.9150	4.8000	5.6400

Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Oct-99		Dec-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,175	100%	12,175	41%
UP-GCAS	5,400	96%	5,400	26%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Oct-99	Nov-99	Dec-99	Jan-00
BNSF-GF	\$5	\$(31)	\$(43)	\$(43)
CP-GEEP	\$10	\$(10)	\$(10)	\$(10)
UP-Pool	\$14	\$(28)	\$(20)	\$(11)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Oct-99	Nov-99	Dec-99
COT/N. Grain	sold out	no bid	no bid
COT/S. Grain	sold out	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate*
10/8/99	Twin Cities	twk/nwk	320*
	Lower Ohio River	twk	260*
	Mid Miss	twk/nwk	280
	Illinois River	Nov.	180
		twk	270*
	MTCT	twk/nwk	280*
	Ohio River	twk	250*
	St. Louis	twk/nwk	270*

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

twk=this week

nwk=next week

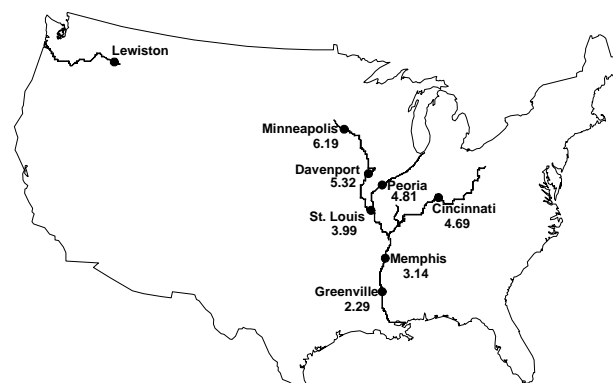
(*) percentages shown for bid rates

MTCT=Memphis Thru Cairo Terms

Southbound Barge Freight Spot Rates

	10/29/99	9/29/99	Nov. '99	Jan. '00
Twin Cities	302	268	283	nq
Mid-Mississippi	278	253	192	nq
Illinois River	268	244	178	181
St. Louis	251	216	159	120
Lower Ohio	261	244	168	131
Cairo-Memphis	255	208	150	116

Source: Transportation & Marketing /AMS/USDA

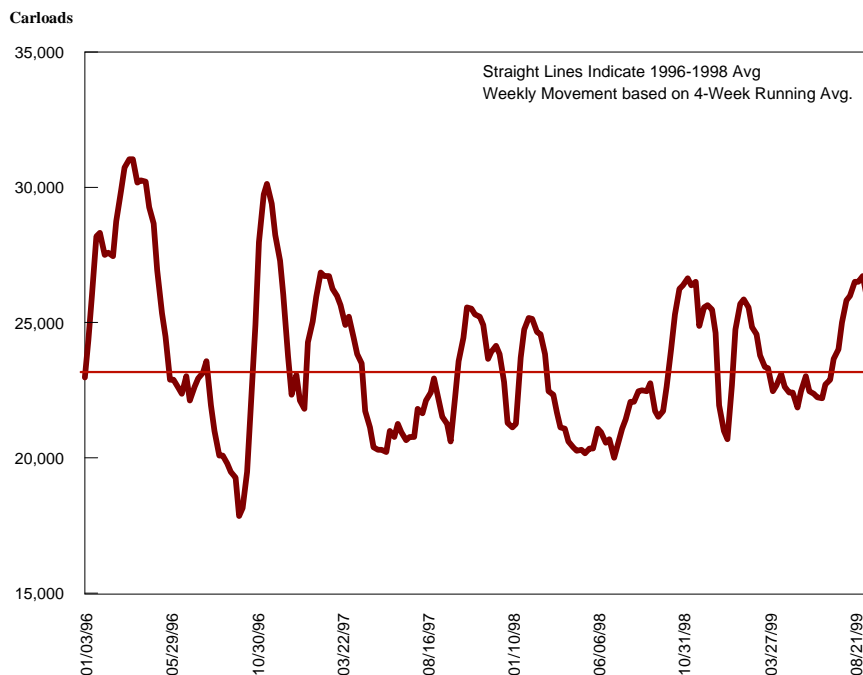
**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
9/18/99	27,276
9/25/99	25,441
10/2/99	26,889
Year to Date - 1999	943,969
Year to Date - 1998**	862,040
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: Association of American Railroads	

**1998 - 52 weeks

* 1997 - 53 weeks



Class I Rail Carrier Grain Car Bulletin

Carloads

		<u>East</u>		<u>West</u>		<u>Canada</u>			
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
10/02/99	0	2,688	2,261	2,108	10,708	431	8,693	2,419	4,753
This Week Last Year	800	2,633	1,840	3,027	9,701	981	7,901	1,905	4,961
1999 YTD	15,522	93,762	66,268	101,526	341,477	26,147	300,267	84,488	151,842
1998 YTD*	27,426	88,444	58,691	95,914	315,348	25,561	250,656	86,023	161,006
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	378,888	171,428	272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387

Source: Association of American Railroads

**1998 - 52 weeks

* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

October 1999

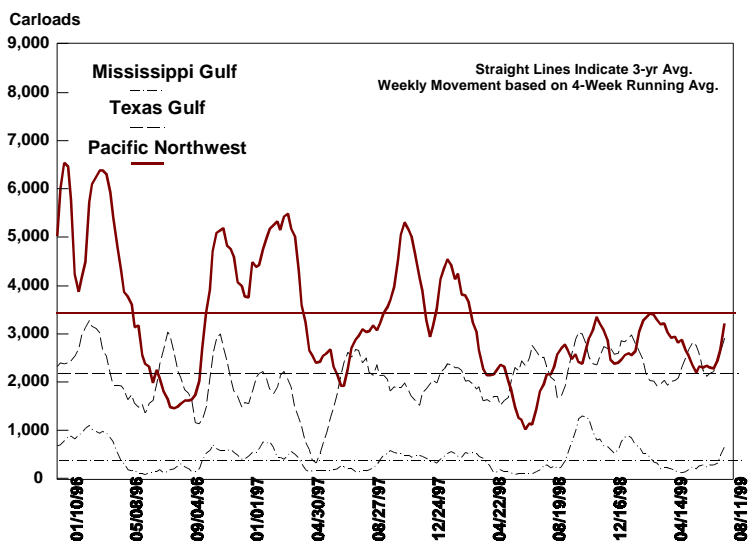
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
10/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
10/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,977	\$43.84	\$1.19
10/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
10/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
10/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
10/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,800	\$30.86	\$0.78
10/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
10/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,415	\$26.62	\$0.68
10/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
10/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
08/25/99	951	4,044	4,418	440
09/01/99	586	3,351	3,282*	438
09/08/99	448	3,602	3,846	274
09/15/99	1,004	2,892	4,145*	674
09/22/99	717*	3,405*	4,156*	300
09/29/99	616	2,980	3,550	467
YTD 1999	18,387*	101,403*	115,610*	11,089
YTD 1998	11,809	80,742	101,969	6,774
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147
Source: Transportation & Marketing/AMS/USDA				

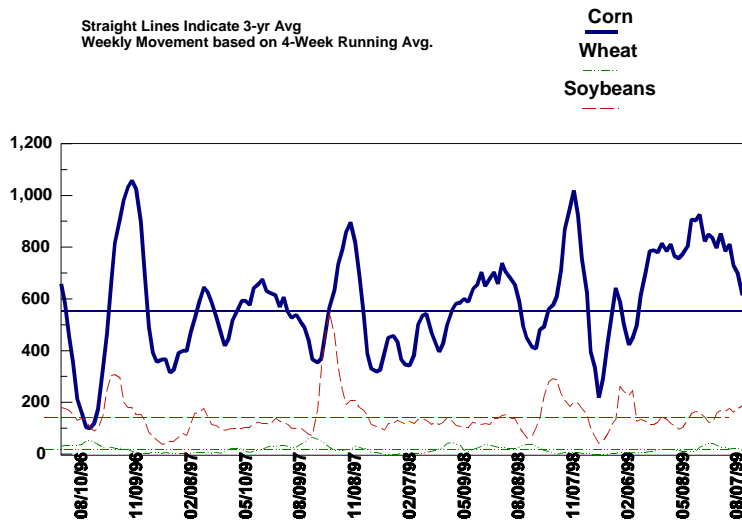
Rail Deliveries to Port



Note: *Corrected data.

Barge Movements - Locks 27

1,000 Tons

Straight Lines Indicate 3-yr Avg
Weekly Movement based on 4-Week Running Avg.

Barge Grain Movements

for week ending 10/2/99

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	360	0	103	462
Winfield, MO (L25)	417	21	198	636
Alton, IL (L26)	623	5	306	943
Granite City, IL (L27)	634	19	286	939
Illinois River (L8)	149	0	51	206
Ohio (L52)	0	0	0	0
Arkansas (L1)	0	4	8	13
1999 YTD	27,651	2,283	6,221	38,258
1998 YTD	21,412	2,055	5,451	31,115
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers

U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
09/30/99	1,169	604	743	1,052	198	3,764	8,037	5,275	17,076
This Week Year Ago	1,766	362	1,044	1,595	226	4,993	7,912	7,360	20,265
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	4,685	1,243	1,828	1,017	319	9,091	4,398	1,883	15,372
97/98 YTD	4,136	715	2,344	1,748	311	9,254	3,096	17,713	30,063
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
10/07/99	227	186	33	297	633	268	277	0	23
1999 YTD	7,658	6,978	604	5,534	27,954	10,310	6,948	518	995
1998 YTD *	7,275	3,394	431	3,940	21,879	9,073	5,372	281	624
% of Last Year	71%	160%	93%	110%	89%	69%	96%	92%	71%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

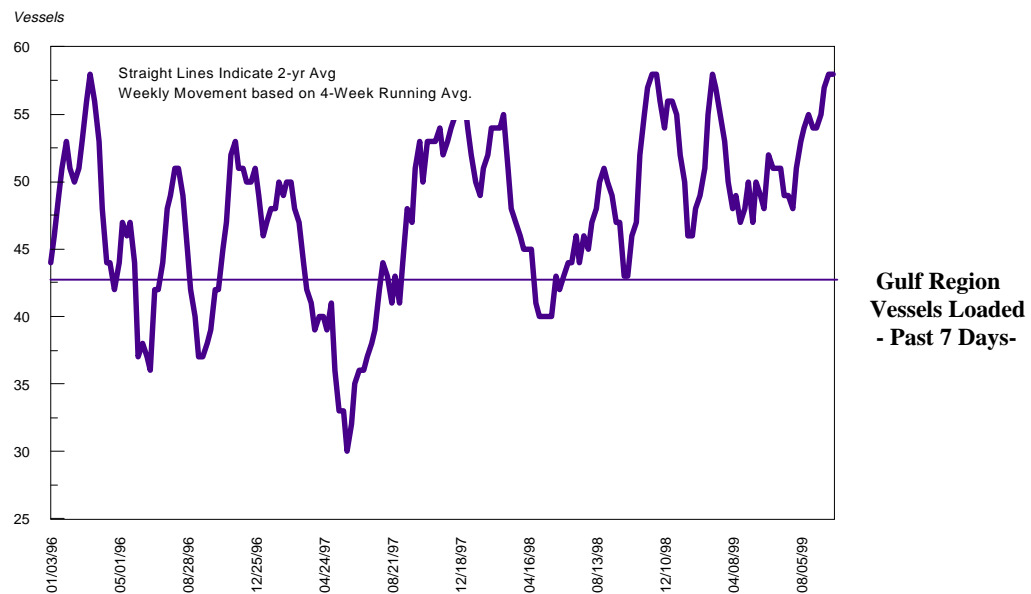
Source: Federal Grain Inspection Service * YTD-Year-to-Date (*98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 10/7/99			
Vancouver	938	256	64
Prince Rupert	43	0	0
Prairie Direct	165	80	47
Thunder Bay	218	80	17
St. Lawrence	519	355	0
1999 YTD Exports	1,883	771	128
1998 YTD Exports	1,731	441	63
% of Last Year	109%	175%	203%

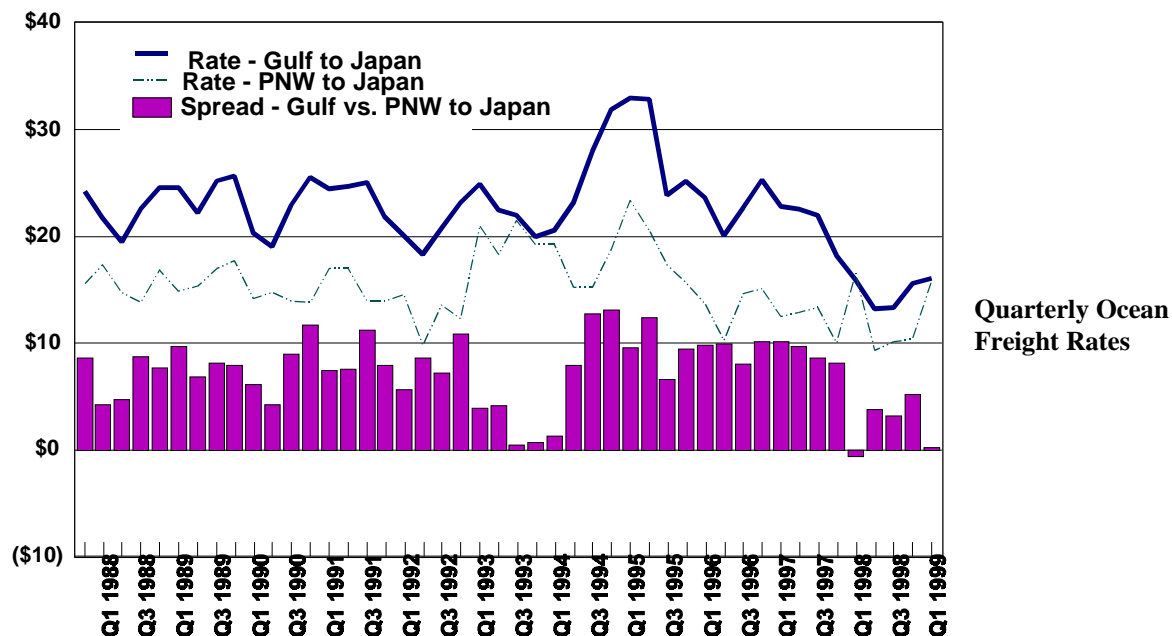
Source: Canadian Grains Commission
YTD-Year-to-Date Crop Year 8/1-7/31


Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
09/30/99	32	53	70	10			6	11	2
10/07/99	34	53	75	13			6	8	2
1998 Range	(19..62)	(34..64)	(40..93)				(1..16)	(3..14)	(0..10)
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61				9	9	3
1997 Avg	33	45	58						
1996 Avg	38	46	62						

Source: Transportation & Marketing /AMS/ USDA

US\$/Metric Ton



Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1999 2 nd Qtr	1998 2 nd Qtr	% Change		1999 2 nd Qtr	1998 2 nd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$16.08	\$15.93	1%	Japan	\$15.83	\$16.49	-4%
Mexico	\$22.45	\$12.42	81%	Red Sea/ Arabian Sea	\$45.80		
Venezuela	\$13.91	\$12.27	13%				
N. Europe	\$12.28	\$9.36	31%	Argentina to			
N. Africa	\$17.80	\$12.83	39%	N. Europe	\$23.92	\$13.13	82%
				Japan	\$20.82	\$18.55	12%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates (Select Locations) - week ending 10/9/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Thunder Bay (Can.)	United Kingdom	Wheat	Spot	17,500	\$28.00
Duluth	W. Italy	Wheat	October	23,000	\$30.00
Lakehead (Great Lakes)	Spain (Med.)	Heavy Grain	October	19,000	\$28.00
Gulf	Dominican Republic	Heavy Grain	Prompt	26,000	\$13.25
Gulf	Egypt (Med.)	Wheat	October	55,000	\$13.00
PNW	Japan	Heavy Grain	October	54,000	\$13.00
Guaymas (Mex.)	Algeria	Wheat	October	25,000	\$23.00
Brazil	No. France	Meals/ Pellets	Prompt	23,000	\$17.25
Brazil	France	Meals/Pellets	October	30,000	\$17.50
France	Bangladesh	Wheat	October	35,000	\$28.50

Source: Maritime Research Inc.